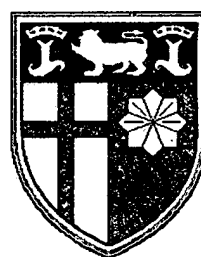


North
Norfolk
**Academy
Trust**

NORTH NORFOLK ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016



THURSDAY



A5LEXTBM

A15

08/12/2016

#207

COMPANIES HOUSE

Company registration number:
07800153 (England and Wales)

NORTH NORFOLK ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report (including Strategic Report)	2 – 10
Governance Statement	11 – 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20
Independent Reporting Accountant's Report on Regularity	21 – 22
Statement of Financial Activities (incorporating Income and Expenditure Account)	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	26 – 30
Other Notes to the Financial Statements	30 – 46
Appendix – Local Governing Bodies and Leadership Teams	47 – 48

NORTH NORFOLK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors (Trustees):

Christine Candlish # (Chair)
Gill Pegg #
Stephen Foster # (resigned 7 January 2016)
Andrew Richardson (Executive Headteacher)
Constance Tyce #
John Wollocombe #
Clare Barter # (appointed 28 April 2016)

= members of the audit committee

Company Secretary:

Jo Knowlden

Senior Management Team:

Executive Headteacher
Consultant Headteacher
Deputy Headteacher – Sheringham
High School
Headteacher – Stalham High School
Headteacher – Antingham & Southrepps
Primary School
Trust Business Manager

Andrew Richardson
Tim Roderick

Jayne Melhuish
Amy Webb (to 31 August 2016)
Julia Howse (to 31 December 2015)
Maureen Vassiere (acting 1 January – 31 August 2016)
Jo Knowlden

Clerk:

Natasha Allen

Principal and Registered office:

Sheringham High School
Holt Road
Sheringham
Norfolk
NR26 8ND

Company Registration Number:

07800153 (England and Wales)

Independent Auditor:

Lovewell Blake LLP
Chartered Accountants and Statutory Auditor
Bankside 300,
Peachman Way
Broadland Business Park,
Norwich
NR7 0LB

Bankers:

NatWest
1 Broadland Business Park
Peachman Way,
Norwich
NR7 0WF

Solicitors:

Browne Jacobson LLP
44 Castle Gate,
Nottingham
NG1 7NJ

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Trustees' Report

For the purposes of this report the term "Trustee" also means "Director".

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates one primary and two secondary academies in North Norfolk. Its academies had a roll of 1,189 in the school census on 6 October 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association dated 14 May 2014 replaced the existing Articles of Association dated 6 October 2011. The current articles are the primary governing documents of the Academy Trust. The Trustees of North Norfolk Academy Trust are also the directors of the Charitable Company for the purposes of company law, and the directors are also the members of the Academy Trust. The Charitable Company is known as North Norfolk Academy Trust.

Details of the Trustees who hold office at the year end are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act, every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to affairs of the Academy Trust.

Principal Activities

The principal object and activity of the Academy Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so, it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a broad and balanced curriculum. The Academy Trust operates Sheringham High School and its sixth form centre (a school consistently in the top tier of Eastern County schools for the last 5 years), Stalham High School (an improving school) and Antingham & Southrepps Primary School (a much improved, small rural primary school). The Academy Trust meets the requirements of the Schools Admissions Code in drawing up its own Admission Policy.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Structure, Governance and Management (continued)

Method of Recruitment and Appointment or Election of Trustees

The overall management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Academy Trust's Memorandum and Articles of Association. The Trustees are directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new Trustees are welcome to visit other academies and to meet with staff and students. All Trustees are provided with copies of minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee. The Trust purchases a Governors training subscription service which provides access to courses and information. As there is a relatively low turnover of Trustees each year, induction is tailored specifically to the individual Trustee.

Organisational Structure

The Multi Academy Trust's organisational structure consists of three levels: The Trustees of the Trust, the Local Governing Bodies of the member Academy schools and the Leadership teams of those individual schools. Collectively, they are responsible for the strategic direction, day-to-day management and operation of the Academy Trust.

The Trustees work through the Board of Trustees. The Board of Trustees also has a separate Audit Committee. The Trustees are responsible for setting general policy and direction for the overall Multi Academy Trust, making strategic decisions, making senior staff appointments, adopting an overall annual plan and budget for the Trust, monitoring its financial and operational performance and approving major items of expenditure.

Each member Academy school has a Local Governing Body. The Local Governing Bodies are responsible for the curriculum of each individual Academy school, the conduct of students, the buildings and grounds and for monitoring and evaluating all aspects of the Academy and its performance on a regular and systematic basis. They are responsible for budget monitoring against the agreed annual budget plan and approving some items of expenditure in line with the Financial Management and Regulations policy.

The Local Governing Body at Sheringham High School works through three main committees: Finance and General Purposes and Premises, Curriculum, and Personnel, each of which is linked to a member of the Leadership team. There are also standing committees which include the Exclusions committee. All have approved terms of reference set out in the Governing Body Standing Orders. An approved scheme of financial delegation and a Financial Management and Regulations policy clearly sets out the level of financial authority delegated to the Local Governing Bodies, the Accounting Officer, individual Headteachers/Heads of School and members of the leadership team and the Trust Business Manager.

The Local Governing Body at Antingham and Southrepps Primary School has one main committee – Performance Management, Standards and Achievements.

A Local Governing Body at Stalham High School was established in April 2015 and had no committees, all business being dealt with through the Local Governin Body meetings. The Local Governing Body was dissolved

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Structure, Governance and Management (continued)

in September 2016 and in order to achieve ongoing and sustained improvement at Stalham High School the directors of North Norfolk Academy Trust (NNAT) have assumed direct control of the governance of the school.

At the High Schools, the Leadership teams are responsible for the day-to-day running of the individual member school and take overall responsibility for all aspects of school development, management and co-ordination, in particular organising the teaching staff, facilities and students.

The Leadership teams are supported by the Heads of Subject in their curriculum areas. The Leadership teams and the Heads of Subjects have delegated budget management responsibilities.

At the Primary School, the Headteacher takes responsibility for the above working with their team of teaching and support staff.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of Key Management Personnel within the Trust is managed by the Board of Trustees. Pay and remuneration for senior teaching staff is based on "School Teachers Pay and Conditions 2015 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/451908/School-teachers-pay-and-conditions-document-2015) issued by the Department for Education. This gives detailed information on how the Headteachers Individual Salary Range is calculated and how Deputies, Assistant Headteachers and other members of the Senior Leadership team fit into that scale. Increments are based entirely on Performance Management.

The pay and remuneration of Key Management Personnel that are not Teachers is based on salary scales agreed at the National Joint Council for Local Government Services and is linked to the grade and scale applicable to similar roles within the Local Government sector and by comparison with that being paid at similar Academy schools.

Related Parties and other Connected Charities and Organisations

The Academy Trust has an interest in a charitable organisation, Sheringham Community Smallholding Ltd – also known as the Patch. The aim of the organisation is to provide a community smallholding project benefiting intergenerational community and school groups which will deliver training opportunities, the production and supply of healthy food, build community relationships and promote healthy physical, social and mental lifestyles through active engagement.

The Academy Trust has an interest in Sheringham Woodfields School and its sixth form annexe, where certain facilities are shared and a lease has been granted to Norfolk County Council for this purpose.

The Academy Trust is considering entering into a joint user agreement with North Norfolk District Council relating to the sharing of recreational facilities at Stalham High School. The Local Authority had previously entered into this agreement (February 1985) and both parties are in the course of negotiating terms for taking the agreement over.

The Academy Trust purchased services from Norfolk County Council under normal business arrangements.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Objectives and Activities

Objects and Aims

The Object of the Academy Trust Company is as follows: "The Academy Trust's object (**"the Object"**) is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (**"the mainstream Academies"**) offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them (**"the alternative provision Academies"**) or 16 to 19 Academies offering a curriculum appropriate to the needs of its students (**"the 16 to 19 Academies"**) or schools specially organised to make special education provision for pupils with Special Education Needs (**"the Special Academies"**).

The Academy Trust aims to enable each student to develop fully his or her potential, irrespective of academic ability or social background.

The Academy Trust offers a broadly based and balanced curriculum until the age of 16 and an 'A' Level curriculum from age 16 to 18. The Academy Trust prepares children for external examination and subsequent entry to higher education in a very wide range of academic disciplines. Students are mainly drawn from the Norfolk area at age 4 and at age 11. As well as academic work, the Academy Trust offers a successful programme of extra-curricular activities for students across the entire age range.

Objectives, Strategies and Activities

The Academy Trust's mission statement is:

SUCCESS FOR ALL

This is articulated through the following aims:

- To be a community of outstanding schools.
- To enable all students to reach their full potential within a caring and supportive environment.
- To develop high aspirations within all students.
- To strengthen provision across all schools within North Norfolk Academy Trust.
- To use resources efficiently and effectively to the benefit of all students.

Every individual, who is part of the Academy Trust, from the Headteachers to the youngest students, are encouraged to behave, at all times and in all circumstances, with care, courtesy and consideration.

Public Benefit

The key public benefit delivered by North Norfolk Academy Trust is the maintenance and delivery of high quality education to the children of North Norfolk and the surrounding areas and parishes.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Strategic Report

Achievements and Performance

Despite the challenges faced by all schools, performance in the hub school, Sheringham High School, has continued to be high. Antingham and Southrepps Primary School has shown good improvement and the position of Stalham High School has stabilised.

Sheringham High School

Results in 2016 demonstrated that Sheringham High School continues to be a high performing school. Its VA for Progress 8 measure puts it in the top 4 in Norfolk. In the last inspection in May 2014, Ofsted judged the school outstanding in behaviour and safety, and leadership and management. The school was judged good in all other categories and overall.

The inspectors recognised the good standards that students achieve in public examinations, especially in English and Mathematics, and praised the school saying,

'Spiritual, moral, social and cultural development is a strength of the school. It is underpinned by very effective curriculum arrangements...Students display a consistent thirst for knowledge.'

For the seventh year running the School has recorded an excellent set of GCSE results, 80% of students achieved both English and Mathematics grades at C or above. The Progress 8 measure shows that all students make an average of almost half a grade more than their prior attainment prediction. Disadvantaged students make good progress showing that the School is committed to 'narrowing the gap'. Further, over one third of students continue to satisfy the EBacc measure. At A level, the School continues to attract growing applications due to its committed teachers, sensitive education and careers advice, and impressive results; 82% A*-C. The vast majority of students will be studying at their first choice universities with many attending top universities in the country including Cambridge.

Stalham High School

Results in 2016 demonstrate that the Trust's involvement has successfully stabilised the school following a period of change. The VA for Progress 8 was 0.1 which puts the School in the 'good' progress band.

The school became an Academy on 1 January 2015 as part of North Norfolk Academy Trust. Therefore, as a new school, Stalham High School does not have a current Ofsted report.

Antingham and Southrepps Primary School

Results in Antingham and Southrepps Primary School have shown many improvements. 2016 Results:

Early Learning Goals: 100% at expected

Year 1 Phonics: 88%

Year 2 Phonics retake: 100%

Key Stage 1 Results (teacher assessed and moderated by LA):

Maths: 85%

Reading: 62%

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Strategic Report (continued)

Writing: 62%

Key Stage 2 Results:

Maths: 80%

Reading: 70%

SPaG: 90%

Writing (Teacher assessed and moderated by LA): 90%

Overall the school has made significant progress in a short time period and continued progress and improvement is achievable.

- DfE: <http://www.education.gov.uk/schools/performance/index.html> and ;
- Ofsted: www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/121214
- Schools: www.nnat.org.uk/welcome

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

The Academy Trust met its aims and objectives within the grant income received for the period. The effective management of cash flow and scheduling of capital expenditure meant that the Academy Trust's cash balances were never exceeded by commitments.

It is the Academy Trust's management policy that in general terms the income received in any one year is spent for the benefit of those children in education that year. This is balanced against the need to retain a prudent level of reserves.

As funding is largely based on student numbers, this is also a key performance indicator. Student numbers for funding purposes were 80 in years R – 6, 1,050 in years 7-11 and 141 in 6th Form. It is anticipated that there will be a drop in roll for all years R - 13, (60 in years R-6, 998 in years 7-11 and 131 in 6th form for funding purposes in 2016/2017) but that this will bottom out in 2017/2018 and start to recover by 2018/2019. The roll in the main school at Sheringham High school has already started to increase (615 – 2015/2016, 622 – 2016/2017).

This downward drift in roll has been due to general population trends and, with the exception of Sheringham High School, affected by previous Ofsted reports giving an inadequate rating for both Antingham and Southrepps Primary School and Stalham High School. As results at these two schools improve, the rolls should increase as parents return. There have also been initiatives at Antingham and Southrepps primary school to make the offering more attractive, such as the refurbishment of the canteen block to enable the school to provide freshly prepared food on site and the establishment of a new pre-school for 3-5 year olds.

Stalham High School has had some significant changes in its facilities, staffing and overall direction which should help to improve its local image and encourage more parents to consider the school for their children.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Key Financial Performance Indicators (continued)

Sixth form numbers can vary (131 for funding purposes in 2016/2017) and this is a matter discussed regularly by the Trustees and Leadership Team, bearing in mind the downward trend in sixth form funding, an excess of FE places in Norfolk and increasing competition to attract students for this reason. However, the Senior Leadership team and new Sixth Form Director have been working hard to improve the quality and scope of marketing, exposure at careers and other options evenings and events.

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, on page 23.

During the year ended 31 August 2016, the Academy Trust received income of £Nil (2015: £9,824,762) on the transfer of Stalham High School and Antingham and Southrepps Primary School, £6,673,801 (2015: £6,277,757) in respect of General Annual Grant and other Government funding, £443,084 (2015: £260,907) in the form of DfE capital grants and £275,530 (2015: £213,812) other income, giving total income of £7,392,415 (2015: £16,577,238) for the period. Expenditure for the period amounted to £7,767,582 (2015: £6,721,399).

The Academy Trust receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as income in the fixed asset fund. The fixed asset fund balance is reduced by annual depreciation charge over the expected useful life of the assets concerned.

At 31 August 2016 the net book value of fixed assets was £14,747,293 (2015: £14,866,112) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Financial and Risk Management Objectives and Policies

In accordance with the Funding agreement and the Academies Financial Handbook issued by the Education Funding Agency on behalf of the Department for Education, the Trustees are responsible for recognising, managing and tracking opportunities and risks.

The Academy Trust's system of Internal Control and Risk Management procedures are established through the adoption of a Financial Management and Regulations policy.

Risks are managed through the creation of a Risk Register which identifies the principal risks and uncertainties facing the trust, together with an assessment of the likelihood and impact and appropriate control procedures to mitigate. The risk register is reviewed regularly by the Trustees and at least on an annual basis.

The day to day impact of cash flow on the bank balance and the school's level of creditors is monitored on a weekly and monthly basis. The level of debtors is minimal but is managed in a controlled way to ensure that the Academy Trust receives payment in a timely fashion.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Principal Risks and Uncertainties

The Risk Register categorises risk into the following areas:

- Strategic
- Reputational
- Governing Body
- Operational
- Compliance
- Financial

The principal financial risks are considered to be:

- Local Government Pension scheme deficit
 - The risks relate to the underlying scheme deficit inherited on conversion and the risk of considerable employer contribution increases. The Academy Trust has now received confirmation that the underlying scheme deficit is underwritten by the Department for Education.
 - Contribution rates are reviewed and reassessed by the fund's actuaries on a triennial basis. Increases are restricted to 1% of pensionable payroll under the Contribution Rate Stabilisation Mechanism.
- Insufficient demand for student places resulting in a reduction in funding Year on Year.
 - The Board of Trustees, Local Governing Bodies and the Senior Leadership teams regularly review roll numbers and create and implement marketing strategies and campaigns to encourage students to come to the schools.
- Fixed assets risk for the construction of new assets
 - The risk of exceeding planned expenditure, or of construction not meeting specification, is controlled by the procurement procedures established in the Financial Management and Regulations policy. This ensures for example that policy limits establish the need for tender procedures.
- Year on Year reductions in per capita funding
 - These could result from changes in funding policy implemented by central government or from decreases in roll. The Academy Trust produces a medium term financial plan which highlights potential difficulties in future years and provides opportunity to take action to mitigate. This plan is created in line with the Financial Management and Regulations policy that the Trustees have adopted and is monitored regularly.
- Financial Systems risks in the event of disaster
 - The risk that financial information could not be recovered in the event of a disaster (e.g. theft, fire, vandalism) is controlled by the creation of back-up procedures and a disaster recovery plan. The Academy Trust has Business Continuity Insurance cover in place.
- Budget Risk
 - The risk that the budget will be in deficit and that it cannot be met by reserves. The Academy Trust prepares detailed three year plans to highlight potential problems in future years. Budgets are regularly monitored and savings made where possible. The Academy Trust has a redundancy policy in place.
- Creation of Multi Academy Trust
 - Risk that financial management structures and controls will not be robust enough to cope with the rapidly changing and growing environment of a multi-academy trust. The Academy Trust regularly reviews its internal frameworks and controls and seeks advice from auditors.

NORTH NORFOLK ACADEMY TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016

Reserves Policy

It is the aim of the Trustees of the Academy Trust to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the Academy Trust's primary objectives are preserved under unforeseen circumstances.

Reserves are intended to be used to establish a prudent general reserve to manage the risks identified above in a controlled and phased way. Much of the Academy Trust's infrastructure is aging and life expired and requires maintenance and renewal. The increased level of restricted reserves is appropriate in order to reflect the needs of three schools including the requirement that all individual Academy schools within the Trust are able to operate independently within their own budgets, reserves and resources.

As at 31 August 2016 the Academy Trust had free reserves of £45,988 (2015: £Nil), calculated as unrestricted net assets shown in note 17.

Investment Policy

With the exception of cash held for the operation of the Academy Trust, North Norfolk Academy Trust has no realisable investments as at 31 August 2016. The Trustees have adopted a low risk strategy to cash holdings operating interest bearing accounts with the Academy Trust's bankers. It is the intention to invest any surplus funds in low risk short-term bank deposits although a longer term investment strategy is currently being investigated.

Plans for Future Periods

Each year each Local Governing Body adopts a school improvement and development plan (summaries are available on the websites) that details the aims and objectives over the coming academic years. The Board of Trustees has oversight of these.

Auditor

Lovewell Blake LLP were appointed as auditors during the previous period and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, including Strategic Report, was approved by the Trustees on 24/11/16 and signed on their behalf by:



Christine Candlish
Trustee

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that North Norfolk Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Where Local Governing Bodies exist, the Board of Trustees have delegated the day-to-day responsibility to the Local Governing Bodies of the member schools and to the Executive Headteacher for the Trust (who is also the Headteacher of Sheringham High School), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between North Norfolk Academy Trust and the Secretary of State for Education. They are also responsible collectively for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met nine times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Christine Candlish (Chair)	8	9
Clare Barter (Trustee)	1	2
Stephen Foster (Trustee) - resigned January 2016	1	1
Gill Pegg (Trustee)	9	9
Andrew Richardson (Trustee)	9	9
Constance Tyce (Trustee)	9	9
John Wollocombe (Trustee)	9	9

There are currently three vacancies which will be filled from other member schools in due course.

Particular challenges that have arisen for the Board in the year are as follows:

For the Multi Academy Trust:

Strategic and Operational Decisions - Taking an active and directing part in the improvement process at Stalham High School and aligning key processes. Overseeing a staff and curriculum restructure.

Governance – Review and implementation of Trust wide policies to ensure compatible, consistent and compliant procedures including safeguarding, health and safety, lettings, Freedom of Information Act and a trust wide publication scheme. Continuing to closely manage and monitor progress at Stalham High School.

Finance – Overseeing the tender and award of four major trust wide contracts for Catering, Cleaning, Broadband and Management Information securing significant savings for the Trust and ensuring compatibility and consistency in standards.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

The **Audit Committee** is a sub-committee of the Board of Trustees. Its purpose is to review the Academy Trust's internal and external financial statements to ensure they reflect best practice, and to review the effectiveness of the Academy Trust's internal control systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

The Audit Committee has formally met once during the year. Attendance at meetings in the year to 31 August 2016 was as follows:

Trustee	Meetings attended	Out of a possible
Clare Barter	0	1
Christine Candlish	1	1
Stephen Foster – resigned January 2016	0	1
Gill Pegg	1	1
Constance Tyce	1	1
John Wollocombe (Chair)	1	1

Under the previous organisational structure, the Audit Committee was a sub-committee of the Sheringham High School Finance and General Purposes and Premises Committee. It met once during the year also.

The **Local Governing Body of Sheringham High School** has met three times during the year. Attendance at meetings in the year to 31 August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Martin Adams (Community Governor)	1	3
Arthur Bailey (Parent Governor)	1	3
Penny Bevan Jones (Community Governor)	3	3
Christine Candlish (Chair & Chair of Trustees)	3	3
Stephen Foster (Governor & Trustee) – resigned Jan '16	1	1
Brian Hannah (Community Governor)	1	3
Sacha Howard (Parent Governor)	2	3
Martin Langsdon (Parent Governor)	3	3
Jayne Melhuish (Staff Governor)	3	3
Gill Pegg (Vice Chair & Trustee)	3	3
Andrew Richardson (Headteacher & Trustee)	3	3
Alex Steward (Staff Governor)	3	3
Constance Tyce (Governor & Trustee)	3	3
Velta Williams (Parent Governor)	1	3
John Wollocombe (Governor & Trustee)	3	3

There are currently two Governor vacancies.

Particular challenges that have arisen for the Local Governing Body of Sheringham High School in the year are as follows:

Governance - Taking strategic decisions about the direction for the school over the next five years. Appointment of Governors to ensure that a high level of skills and a variety of backgrounds is maintained whilst achieving a full compliment.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Students and Parents - Monitoring of progress towards achievement of high academic standards. Listening to the voice of parents and students through the bi - annual survey and via parent governors. Monitoring the use of the Pupil Premium to ensure the progress of vulnerable students, most able students and students with identified weaknesses of any kind. Undertaking a thematic review of Careers Education, Information, Advice and Guidance within the school.

Staff - Taking decisions about Teachers pay and monitoring performance of teachers. Ensuring the appointment of staff is appropriate to achieving the best outcomes for students within the Academy Trust's financial constraints.

Finance - Ensuring a broad and balanced budget and taking financial decisions to make sure that resources are available to deliver a balanced and broad curriculum to our students. Procuring services to ensure value for money e.g. grounds maintenance contract and contract for refurbishment of two laboratories and prep room in the main school.

The **Finance and General Purposes and Premises Committee** is a sub-committee of the Local Governing Body at Sheringham High School. Its purpose is to review and plan the strategic financial planning and expenditure of the Academy Trust school budget. It also performs some delegated duties on behalf of the Trust Board in relation to policy approval and contract review.

The Finance and General Purposes and Premises Committee has formally met five times during the year. Attendance at meetings in the year to 31 August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Martin Adams	3	5
Arthur Bailey	4	5
Christine Candlish	5	5
Stephen Foster (resigned Jan 2016)	2	2
Gill Pegg	3	5
Brian Hannah	2	5
Andrew Richardson (Headteacher)	5	5
John Wollocombe (Chair)	5	5

The **Local Governing Body of Stalham High School** has formally met eight times during the year. Attendance at meetings in the year to 31 August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Gail Adams (Parent Governor) from Jan 2016	6	6
Kate Atherton (Parent Governor) (resigned Jan 2016)	2	3
Christine Candlish (Interim Chair) from Jan 2016	5	6
Angela Davison (Staff Governor) from Jan 2016	5	5
Stephen Hunter (Parent Governor)	7	8
Toni Jeary (Parent Governor) resigned sept 2015	0	0
Charlotte Leeming (Staff Governor) resigned Jan 2016)	1	3
Cara Jordan (Parent Governor)	8	8
Gill Pegg (Interim Chair) (resigned Jan 2016)	2	3
Amy Webb (Headteacher)	5	8
John Wollocombe (Trust Representative)	4	4

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Particular challenges that have arisen for the Local Governing Body of Stalham High School in the year are as follows:

Strategic and Operational decisions:

Prior to conversion to Academy status the school had an Interim Executive Board (IEB). This was disbanded in December 2014. The challenge for the Local Governing Body has been primarily to establish itself, recruit new members and gain the knowledge and training required to fulfil its duties. The Local Governing Body was dissolved in September 2016 and, in order to better achieve ongoing and sustained improvement at Stalham High School the Directors of North Norfolk Academy Trust (NNAT), have assumed direct control of the governance of the school.

Finance:

Understanding and overseeing the budgetary process including input into annual budget setting and monitoring spending against targets.

Community:

To oversee and encourage the development of a local marketing plan to improve the schools' image and to encourage increased roll.

The **Local Governing Body of Antingham and Southrepps Primary School** has met six times during the year. Attendance at meetings in the year to 31 August 2016 was as follows:

Governor	Meetings attended	Out of a possible
Steve Blatch (Chair & Community Governor)	6	6
Julia Howse (Headteacher) (resigned Dec 2015)	0	1
Sophie Hankinson (Parent Governor)	6	6
Corne Wheeler (Parent Governor)	5	6
Doug Wright (Community Governor)	5	6
Constance Tyce (Trust Representative)	6	6
Emma Harding (Staff Governor)	6	6
Maureen Vassiere (Acting Headteacher from Jan 2016)	5	6

Particular challenges that have arisen for the Local Governing Body of Antingham and Southrepps Primary School in the year are as follows:

Strategic and Operational decisions:

The challenge for the Local Governing Body has been primarily to investigate ways to promote the school to local parents. To oversee the establishment of a replacement pre-school facility in the vacant building.

Governance:

The Governing Body have spent time recruiting a replacement for the former Headteacher and implementing key staff changes to reflect the smaller number of children on roll.

Governance Reviews:

The Multi Academy Trust has been continuing to develop. A secondary school Executive Headteacher role has been established for the Trust and became effective from 1st September 2016.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Governance (continued)

Antingham and Southrepps Primary School

Following the LGB review of governance 2015, staffing and pupil numbers have successfully stabilised. A new Head of school has been appointed, supported by a part time Consultant HT. Recent results have ameliorated the school's reputation within the local community.

Stalham High School

A restructure of the Senior Leadership Team took place in the Spring term, consequently the leadership team was reorganised.

Following the departure of the Head Teacher, a new Head of School was appointed. This became effective from September 2016. Following a review of the school's performance, undertaken by Directors in September 2016, the decision was taken by the Board to dissolve the local governing body. The Trust Board assumed direct governance of the school.

Sheringham High School

The Governance of Sheringham High School was last reviewed in October 2016. This was a self evaluation that examined progress against previous reviews and milestones, drawing up an appropriate action plan for monitoring.

The Ofsted report in May 2014 judged Leadership and Management of the school as outstanding. The Trust intends to conduct a self-evaluation of its governance towards the end of the forthcoming Academic year (2016-2017) to ensure that these standards are being maintained. The National Governors' Association provides a useful guide and template to facilitate this process.

Review of Value for Money

As accounting officer Andrew Richardson has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Better Purchasing

The Trust has worked in collaboration with its member schools to ensure that the maximum usage is made of amalgamating existing contracts and using purchasing power to broker the best deals. In 2015/2016, 4 major contracts have been reviewed, tendered and awarded ensuring better Value For Money. The Trust has made good use of Purchasing Consortia for other significant purchases.

Better Income Generation

The Trust has focussed attention on ensuring that all income it is entitled to, is collected. For example, a review of all lettings and the prices charged for the Trust's facilities has been reviewed and implemented representing fairer value for money for its assets.

Better Collaboration:

All three schools within the Trust are collaborating to ensure that good practice is shared and resources are made the best use of. There are staff that work across the Trust in either two or all three schools. This enables all schools to benefit from the availability of specialist teaching and specialist support that would not be available, if the individual school had to try to fund the costs on their own.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Review of Value for Money (continued)

Improving Educational Results:

Improving educational results for our students is the Trust's main priority. Despite the challenges, performance in the hub school – Sheringham High School has continued to be good.. Antingham and Southrepps Primary school has shown significant improvement and the position of Stalham High School has stabilised. Pages 5-6 contain more detailed information.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North Norfolk Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the the Local Governing Body or finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have instructed finance staff from Reepham Academy Trust to perform Peer Reviews. This includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the peer reviewer reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

NORTH NORFOLK ACADEMY TRUST

GOVERNANCE STATEMENT

Review of Effectiveness

As Accounting Officer, Andrew Richardson has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

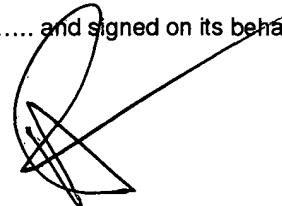
- the work of the Peer Reviewers;
- the work of the external auditor;
- the work of the Senior Leadership Team and Trust Business Manager within the Academy Trust who have responsibility for the day to day monitoring and maintenance of the internal control framework in line with the Financial Management and Regulations Policy.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee, by the Audit committee and by the Board of Directors and a plan to address weaknesses and ensure continuous improvements of the system is in place.

Approved by order of members of the Trustees on 24/11/16 and signed on its behalf by:



Christine Candlish
Trustee



Andrew Richardson
Accounting Officer

NORTH NORFOLK ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of North Norfolk Academy Trust I have considered my responsibility to notify the Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Trustees and EFA.



Andrew Richardson
Accounting Officer

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as governors of North Norfolk Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 24/11/16, and signed on its behalf by:



Christine Candlish
Trustee

NORTH NORFOLK ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTH NORFOLK ACADEMY TRUST

We have audited the financial statements of North Norfolk Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

05/12/16
.....

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH NORFOLK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Norfolk Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purpose identified by the Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to North Norfolk Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North Norfolk Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North Norfolk Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of North Norfolk Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of North Norfolk Academy Trust's funding agreement with the Secretary of State for Education dated 26 October 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH NORFOLK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses
- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the Academy Trust are in keeping with the Academy Trust's framework and charitable objectives
- Ensuring that key staff, Trustees and Governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring any contracts with connected parties have been procured following the Academy Trust's procurement and tendering process, and if contracts were entered to after 7 November 2013 that the Academy Trust has obtained statements of assurance confirming no profit element was charged
- Ensuring expenditure does not contravene the funding agreement
- Ensuring external consultancy payments for staff have been made in accordance with the Handbook
- Ensuring that where special payments, including compromise agreements, have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Academy Trust's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.6 of Managing Public Money

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by parliament and the financial transactions do not conform to the authorities which govern them.

Lovewell Blake LLP
MARK PROCTOR FCA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP
05/12/16

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2016 **(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	14,881	-	443,084	457,965	272,093
Net assets transferred from schools joining the Academy Trust	2	-	-	-	-	9,824,762
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	6,673,801	-	6,673,801	6,277,757
Other trading activities	4	258,741	-	-	258,741	200,275
Investments	5	1,908	-	-	1,908	2,351
Total		275,530	6,673,801	443,084	7,392,415	16,577,238
Expenditure on:						
Raising funds	6	107,337	-	-	107,337	93,372
Charitable activities:						
Academy Trust educational operations	7	120,113	7,005,312	534,820	7,660,245	6,628,027
Total		227,450	7,005,312	534,820	7,767,582	6,721,399
Net income / (expenditure)		48,080	(331,511)	(91,736)	(375,167)	9,855,839
Other recognised gains/ (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16/24	-	(722,000)	-	(722,000)	39,000
Net movement in funds		48,080	(1,053,511)	(91,736)	(1,097,167)	9,894,839
Reconciliation of funds						
Total funds brought forward	16	(2,092)	221,323	15,010,448	15,229,679	5,334,840
Total funds carried forward	16	45,988	(832,188)	14,918,712	14,132,512	15,229,679

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.
The notes on pages 26 to 46 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST**BALANCE SHEET as at 31 August 2016**

	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	12	14,747,293	14,866,112
Current Assets			
Debtors	13	164,769	118,871
Cash at bank and in hand		<u>1,274,344</u>	<u>1,502,570</u>
		1,439,113	1,621,441
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>384,852</u>	<u>444,874</u>
Net current assets		<u>1,054,261</u>	<u>1,176,567</u>
Total assets less current liabilities		15,801,554	16,042,679
Creditors: Amounts falling due after more than one year	15	<u>(28,042)</u>	<u>-</u>
Net assets excluding pension liability		15,773,512	16,042,679
Defined benefit pension scheme liability	24	<u>(1,641,000)</u>	<u>(813,000)</u>
Total net assets	16	<u>14,132,512</u>	<u>15,229,679</u>
Funds of the Academy Trust			
Restricted funds			
Fixed asset fund	16	14,918,712	15,010,448
Restricted income funds	16	808,812	1,034,323
Pension reserve	16	<u>(1,641,000)</u>	<u>(813,000)</u>
		14,086,524	15,231,771
Unrestricted income funds	16	<u>45,988</u>	<u>(2,092)</u>
Total funds		<u>14,132,512</u>	<u>15,229,679</u>

The financial statements on pages 24-47 were approved by the Trustees, and authorised for issue on 24/11/16 and are signed on their behalf by:


Christine Candlish
Trustee

The notes on pages 26 to 46 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

STATEMENT OF CASH FLOWS for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	20	(257,217)	428,365
Cash flows from investing activities	21	28,991	146,687
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		(228,226)	575,052
Cash and cash equivalents at 1 September 2015		1,502,570	927,518
Cash and cash equivalents at 31 August 2016	22	<u>1,274,344</u>	<u>1,502,570</u>

The notes on pages 26 to 46 form part of these financial statements.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

1. Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

a) Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

North Norfolk Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of North Norfolk Academy Trust prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Charities SORP 2015 (SORP 2015). The financial statements of North Norfolk Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ("UK GAAP") and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. (The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 "Transition to this FRS").

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

b) Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

1. Statement of accounting policies (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

1. Statement of accounting policies (continued)

e) Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

f) Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Long leasehold buildings	2% straight line
Long leasehold land	Over the period of the lease
Fixtures and fittings	15% straight line
Motor vehicles	25% straight line
Computer equipment and software	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

g) Leased property

The academy trust has recognised the value of the property occupied by it, under a lease of 125 years, as prepared on behalf of the Education Funding Agency as at 31 March 2015 (Antingham and Southrepps Primary School, Stalham High School).

h) Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

i) Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered in Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

1. Statement of accounting policies (continued)

j) Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

k) Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the donor and include grants from the Education Funding Agency.

l) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

1. Statement of accounting policies (continued)

The present value of the Local Government Pension Scheme defined liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

m) Redundancy

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the academy are accounted for on an accruals basis and included within employee benefits.

n) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. All loans are measured at cost, less impairment.

o) Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital grants	-	443,084	443,084	260,907
Other donations	14,881	-	14,881	11,186
Net assets transferred from Antingham and Southrepps County Primary School	-	-	-	1,159,172
Net assets transferred from Stalham High School	-	-	-	8,665,590
	<u>14,881</u>	<u>443,084</u>	<u>457,965</u>	<u>10,096,855</u>

The income from donations and capital grants was £457,965 (2015: £10,096,855) of which £14,881 was unrestricted (2015: 11,186), £Nil was restricted (2015: £Nil) and £443,084 was restricted fixed assets (2015: £10,085,669).

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

100-100000-100000

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
• General Annual Grant (GAG)	-	6,175,371	6,175,371	5,675,002
• Other DfE/EFA Grants	-	368,018	368,018	527,000
	-	6,543,389	6,543,389	6,202,002
Other Government grants				
• Local authority grants	-	82,467	82,467	36,018
• Graduate teacher training programme	-	-	-	3,166
• Miscellaneous	-	47,945	47,945	36,571
	-	130,412	130,412	75,755
	-	6,673,801	6,673,801	6,277,757

Funding for the academy trust's educational operations was £6,673,801 (2015: £6,277,757) of which £Nil was unrestricted (2015: £Nil), £6,673,801 was restricted (2015: £6,277,757) and £Nil was restricted fixed assets (2015: £Nil).

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Catering income	15,935	-	15,935	8,424
Hire of facilities	24,264	-	24,264	25,570
Minibus contributions	16,541	-	16,541	3,328
Trips contributions	129,214	-	129,214	140,726
Income from services provided	63,237	-	63,237	9,245
Music lesson income	5,279	-	5,279	5,161
Subject sales	1,414	-	1,414	1,912
Shool uniform sales	307	-	307	4,679
Bulk purchases savings	-	-	-	1,230
Insurance claims	2,550	-	2,550	-
	258,741	-	258,741	200,275

The income from other trading activities was £258,741 (2015: £200,275) of which £258,741 was unrestricted (2015: £200,275), £Nil was restricted (2015: £Nil) and £Nil was restricted fixed assets (2015: £Nil).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank interest	1,908	-	1,908	2,351

The income from investments was £1,908 (2015: £2,351) of which £1,908 was unrestricted (2015: £2,351), £Nil was restricted (2015: £Nil) and £Nil was restricted fixed assets (2015: £Nil).

6. EXPENDITURE

	Staff Costs £	Non Pay Expenditure		Total 2016 £	Total 2015 £
		Premises £	Other £		
Expenditure on raising funds	-	-	107,337	107,337	93,372
Academy Trust's educational operations (note 7)					
• Direct costs	4,970,200	534,820	423,957	5,928,977	5,203,551
• Allocated support costs	580,876	-	1,044,392	1,625,268	1,325,476
• FRS17 pension costs	-	-	106,000	106,000	99,000
	<u>5,551,076</u>	<u>534,820</u>	<u>1,681,686</u>	<u>7,767,582</u>	<u>6,721,399</u>

Expenditure was £7,767,582 (2015: £6,721,399) of which £227,450 was unrestricted (2015: £235,115), £7,005,312 was restricted (2015: £6,013,961) and £534,820 was restricted fixed assets (2015: £472,323).

Net income/(expenditure) for the period includes:

	2016 £	2015 £
Operating leases - plant and machinery	42,182	42,611
Depreciation	534,820	472,323
Fees payable to auditor - audit (current year)	11,515	11,175
- audit (previous year)	(655)	1,285
- other services	675	655

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	147	-	-

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

7. CHARITABLE ACTIVITIES – ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	Restricted Fixed Asset £	2016 £	2015 £
Direct costs – educational operations	-	5,394,157	534,820	5,928,977	5,203,551
Support costs – educational operations	120,113	1,505,155	-	1,625,268	1,325,476
FRS102 pension costs	-	106,000	-	106,000	99,000
	<u>120,113</u>	<u>7,005,312</u>	<u>534,820</u>	<u>7,660,245</u>	<u>6,628,027</u>

Expenditure on charitable activities was £7,660,245 (2015: £6,628,027) of which £120,113 was unrestricted (2015: £141,743), £7,005,312 was restricted (2015: £6,013,961) and £534,820 was restricted fixed asset (2015: £472,323)

Analysis of support costs

Support staff costs	-	580,876	-	580,876	426,417
Recruitment and support	-	10,246	-	10,246	13,625
Maintenance of premises and equipment	-	212,916	-	212,916	163,771
Cleaning	-	144,517	-	144,517	109,980
Rent and rates	-	43,731	-	43,731	38,780
Energy costs	-	100,813	-	100,813	94,502
Insurance	-	35,227	-	35,227	34,917
Security and transport	-	24,639	-	24,639	26,907
Bank interest and charges	-	3,027	-	3,027	2,892
Legal and professional fees	-	108,450	-	108,450	90,278
Governance costs	-	25,137	-	25,137	34,076
Other support costs	120,113	215,576	-	335,689	289,331
	<u>120,113</u>	<u>1,505,155</u>	<u>-</u>	<u>1,625,268</u>	<u>1,325,476</u>

Support costs totalled £1,625,268 (2015: £1,325,476) of which £120,113 was unrestricted (2015: £141,743), £1,505,155 was restricted (2015: £1,183,733) and £Nil was restricted fixed asset (2015: £Nil).

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

8. STAFF

a. Staff costs

	Total 2016 £	Total 2015 £
Staff costs during the period were:		
Wages and salaries	4,426,659	3,756,387
Social security costs	333,650	258,440
Pension costs	375,688	295,390
Operating costs of defined benefit pension schemes	334,000	255,000
	<u>5,469,997</u>	<u>4,565,217</u>
Supply staff costs	73,129	112,094
Staff restructuring costs	7,950	93,188
	<u>5,551,076</u>	<u>4,770,499</u>

Staff restructuring costs comprise;

Redundancy payments	7,950	64,788
Severance payments	-	28,400
	<u>7,950</u>	<u>93,188</u>

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £28,400).

c. Staff numbers

The average number of persons employed by the Academy Trust during the period was as follows:

	2016 No.	2015 No.
Charitable Activities		
Teaching	93	92
Administration and support	70	77
Management	6	6
	<u>169</u>	<u>175</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

8. STAFF (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £359,076 (2015: £332,173).

9. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- the disbursement of income from improvement and capacity and start-up grants amongst the Schools to fund various projects
- the provision of services of a consultant headteacher and a clerk to the governors
- the provision of a website
- the provision of the Board of Trustees
- the provision of IT support
- the provision of business management services including contract management, Health & Safety Management and energy procurement
- financial management services including invoice processing, payments, bank reconciliation, compliance, payroll & VAT returns

The Academy Trust charges for these services on an invoice basis.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Sheringham High School	83,866	-
Antingham and Southrepps Primary School	21,498	5,739
Stalham High School	63,729	19,812
	169,093	25,551

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their services as Trustees. The value of Trustees' remuneration was as follows:

A Richardson (Executive Headteacher and Trustee)

Remuneration £75,000 - £80,000 (2015: £75,000 - £80,000)

Employer's pension contributions £10,000 - £15,000 (2015: £10,000 - £15,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £315 (2015: £266) were reimbursed or paid directly to one Trustee (2015: one Trustee).

Other related party transactions involving the Trustees are set out in note 25.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

11. TRUSTEES', GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover. The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Fixtures & fittings, Computer equipment £	Motor vehicles £	Total 2016 £
Cost					
At 1 September 2015	4,837,138	9,310,395	1,846,937	2,000	15,996,470
Additions	149,068	213,506	53,427	-	416,001
At 31 August 2016	<u>4,986,206</u>	<u>9,523,901</u>	<u>1,900,364</u>	<u>2,000</u>	<u>16,412,471</u>
Depreciation					
At 1 September 2015	302,984	111,653	714,596	1,125	1,130,358
Charged in year	83,866	160,257	290,406	291	534,820
At 31 August 2016	<u>386,850</u>	<u>271,910</u>	<u>1,005,002</u>	<u>1,416</u>	<u>1,665,178</u>
Net book values					
At 31 August 2016	<u>4,599,356</u>	<u>9,251,991</u>	<u>895,362</u>	<u>584</u>	<u>14,747,293</u>
At 31 August 2015	<u>4,534,154</u>	<u>9,198,742</u>	<u>1,132,341</u>	<u>875</u>	<u>14,866,112</u>

All assets are used for educational purposes.

13. DEBTORS

	2016 £	2015 £
Trade debtors	30,497	10,454
Prepayments and accrued income	70,772	57,865
VAT recoverable	63,500	50,552
	<u>164,769</u>	<u>118,871</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	189,167	288,997
Taxation and social security	-	2,000
Other creditors	46,277	55,433
Concessionary loan: Salix loan	1,870	-
Accruals and deferred income	147,538	98,444
	<u>384,852</u>	<u>444,874</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	35,912	147,818
Resources deferred in the year	25,256	35,912
Amounts released from previous years	(35,912)	(147,818)
Deferred income at 31 August 2016	<u>25,256</u>	<u>35,912</u>

Deferred income related to amounts received from the EFA (£11,290) and Norfolk County Council (£13,966) during 2015/16 relating to 2016/17.

Included within creditors falling due within one year are two Salix loans totalling £1,870 for energy efficient improvements which are both provided on the following terms: Repayable interest free over eight years via deduction from GAG.

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
	£	£
Concessionary loan: Salix loan	<u>28,042</u>	<u>-</u>

Included within creditors falling due after one year are two Salix loans totalling £28,042 for energy efficient improvements which are both provided on the following terms: Repayable interest-free over eight years via deduction from GAG.

16. FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted funds					
General Annual Grant (GAG)	973,919	6,175,371	(6,340,478)	-	808,812
Other DfE/EFA grants	60,404	498,430	(558,834)	-	-
Pension reserve	(813,000)	-	(106,000)	(722,000)	(1,641,000)
	<u>221,323</u>	<u>6,673,801</u>	<u>(7,005,312)</u>	<u>(722,000)</u>	<u>(832,188)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	461,774	443,084	(39,555)	-	865,303
Capital expenditure from GAG	357,443	-	(54,002)	-	303,441
Donated assets	14,191,231	-	(441,263)	-	13,749,968
	<u>15,010,448</u>	<u>443,084</u>	<u>(534,820)</u>	<u>-</u>	<u>14,918,712</u>
Total restricted funds	<u>15,231,771</u>	<u>7,116,885</u>	<u>(7,540,132)</u>	<u>(722,000)</u>	<u>14,086,524</u>
Unrestricted funds					
General fund	(2,092)	275,530	(227,450)	-	45,988
Total unrestricted funds	<u>(2,092)</u>	<u>275,530</u>	<u>(227,450)</u>	<u>-</u>	<u>45,988</u>
Total funds	<u>15,229,679</u>	<u>7,392,415</u>	<u>(7,767,582)</u>	<u>(722,000)</u>	<u>14,132,512</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

16. FUNDS (continued)

The specific purposes for which the funds are to be applied are as follows:

GAG & other DfE/EFA grants: the restricted income fund is for the purpose of specific expenditure within the Academy Trust's declared objectives. DfE grants relate to government funding for the provision of education by the Academy Trust. Funding is repayable if the Academy Trust does not meet all funding requirements.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. The GAG carried forward is intended to be used to:

- a) Support the quality of teaching and learning by retaining experienced staff;
- b) Maintain stability for students, parents and staff by avoiding the cycle of redundancy and recruiting as student numbers recover (the three year budget plan includes planned in year deficits);
- c) Support capital projects where funding is unavailable or matched funding is required;
- d) Allow phased and controlled repair, maintenance and replacement of the Trust's aging and life expired infrastructure and computer equipment;
- e) Establish a prudent level of reserves to manage risks and unforeseen costs.

Pension reserve: this relates to the deficit on the local government pension fund. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Academy Trust's budgeted annual income.

DfE/EFA capital grants: provided by the government for specific capital projects.

Capital expenditure from GAG: Value of GAG funding used for capital projects less related depreciation.

Donated assets: value of donated assets recognised in the financial statements at their estimated value to the Academy Trust in the period in which they are receivable and where the benefit is both quantifiable and measurable.

Fund balances at 31 August 2016 were allocated as follows:

	2016
	£
Sheringham High School	520,888
Stalham High School	315,822
Antingham and Southrepps Primary School	50,823
Central Services	<u>(32,733)</u>
Total before fixed asset fund and pension reserve	854,800
Restricted fixed asset fund	14,918,712
Pension reserve	<u>(1,641,000)</u>
Academy Trust	<u>14,132,512</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

16. FUNDS (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Sheringham High School	3,029,939	255,868	83,929	816,067	4,185,803
Stalham High School	1,613,451	165,605	53,119	460,801	2,292,976
Antingham and Southrepps Primary School	297,552	41,783	5,621	114,236	459,192
Central services	29,258	117,620	-	41,913	188,791
Academy Trust	4,970,200	580,876	142,669	1,433,017	7,126,762

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

	Unrestricted £	Restricted Funds £	Pension Liability £	Restricted fixed asset Funds £	Total 2016 £
Tangible fixed assets	-	-	-	14,747,293	14,747,293
Current assets	300,870	834,069	-	304,174	1,439,113
Current liabilities	(254,882)	(25,257)	-	(104,713)	(384,852)
Non current liabilities	-	-	-	(28,042)	(28,042)
Pension scheme liability	-	-	(1,641,000)	-	(1,641,000)
Total net assets	45,988	808,812	(1,641,000)	14,918,712	14,132,512

18. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted for, but not provided in the financial statements	131,820	-

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

19. COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2016 the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	39,710	42,208
Amounts due between one and five years	<u>60,463</u>	<u>97,787</u>
	<u>100,173</u>	<u>139,995</u>

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	(375,167)	9,855,839
Adjusted for:		
Fixed assets and pension liabilities transferred from Antingham & Southrepps Primary School	-	(1,118,999)
Fixed assets and pension liabilities transferred from Stalham High School	-	(8,503,000)
Depreciation (note 12)	534,820	472,323
Capital grants from DfE and other capital income (note 2)	(443,084)	(260,907)
Interest receivable (note 5)	(1,908)	(2,351)
Defined benefit pension scheme cost less contributions payable (note 24)	73,000	73,000
Defined benefit pension scheme cost (note 24)	33,000	26,000
(Increase) in debtors	(45,898)	(40,355)
Increase / (Decrease) in creditors	<u>(31,980)</u>	<u>(73,185)</u>
Net cash (used in) / provided by operating activities	<u>(257,217)</u>	<u>428,365</u>

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2016 £	2015 £
Interest received	1,908	2,351
Purchase of tangible fixed assets	(416,001)	(116,571)
Capital grants from DfE/EFA	<u>443,084</u>	<u>260,907</u>
Net cash (used in) / provided by investing activities	<u>28,991</u>	<u>146,687</u>

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

22. CASH AND CASH EQUIVALENTS

	At 31 August 2016 £	At 31 August 2015 £
Cash in hand and at bank	1,274,344	1,502,570
Total cash and cash equivalents	<u>1,274,344</u>	<u>1,502,570</u>

23. MEMBERS' LIABILITY

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

24. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a "pay-as-you-go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge, currently 14.1%)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £148,000 (2015: £139,000), a copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2016 was £289,000 (2015: £202,000) of which employer's contributions totalled £228,000 (2015: £156,000) and employees' contributions totalled £61,000 (2015: £46,000). The agreed future rates for future years range from 5.5% - 12.5% for employees, and 17.8% - 19.3% for employers plus an annual deficit recovery contribution of £9,000 in 2015/16 and £14,000 in 2016/17.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions

	2016	2015
	%	%
Salary increase rate	3.1	3.6
Pension increase rate	2.1	2.7
Discount rate	2.1	3.8

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25% p.a.. The average future life expectancies at age 65 are summarised below:

	2016	2015
	Years	Years
<i>Current pensioners</i>		
Males	22.1	22.1
Females	24.3	24.3
<i>Future pensioners</i>		
Males	24.5	24.5
Females	26.9	26.9

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at	Fair value at
	31 August 2016	31 August 2015
	£	£
Equity instruments	1,196,000	841,000
Bonds	519,000	377,000
Property	239,000	189,000
Cash	40,000	44,000
Total market value of assets	1,994,000	1,451,000
Present value of scheme liabilities	(3,635,000)	(2,264,000)
Deficit in the scheme	(1,641,000)	(813,000)

The actual return on scheme assets was £262,000 (2015: £49,000)

Amount recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost (net of employee contributions)	282,000	229,000
Past service cost	19,000	-
Net interest cost	33,000	26,000
Total operating charge	334,000	255,000

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

Changes in the present value of defined benefit obligations were as follows:

	2016	2015
	£	£
At 1 September	2,264,000	1,310,000
Current service cost	282,000	229,000
Past service cost	19,000	-
Interest cost	93,000	70,000
Employee contributions	61,000	46,000
Actuarial (gains) / losses	924,000	(34,000)
Liabilities transferred from joining academies	-	649,000
Estimated benefits paid	(8,000)	(6,000)
At 31 August	3,635,000	2,264,000

Changes in the fair value of the Academy Trust's share of scheme assets:

	2016	2015
	£	£
At 1 September	1,451,000	842,000
Expected return on assets	60,000	44,000
Employee contributions	61,000	46,000
Employer contributions	228,000	156,000
Actuarial gains	202,000	5,000
Assets transferred from joining academies	-	364,000
Estimated benefits paid	(8,000)	(6,000)
At 31 August	1,994,000	1,451,000

The estimated value of employer contributions for the year ended 31 August 2017 is £210,000.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trusts's operations and the composition of the board of Trustees and the Local Governing Bodies of its constituent schools being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee or Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Sheringham Community Small Holding "The Patch" – a charitable organisation of which Dr Andrew Richardson (a Trustee of the Trust) is a trustee:

- The Academy Trust paid expenses, totalling £10,144 (2015: £9,235), on behalf of "The Patch".
- The Academy Trust received reimbursement in respect of these and prior year expenses amounting to £10,951 (2015: £7,894) and at the balance sheet date "The Patch" owed £4,590 to the Academy Trust (2015: £3,366).

There were no other transactions which, in the opinion of the Trustees, need to be reported for the purposes of a proper understanding of the accounts.

26. EXPLANATION OF TRANSITION TO FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/expenditure for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

		31 August 2015
Reconciliation of net income / (expenditure)		
Net income previously reported under UK GAAP		9,871,839
Change in recognition of LGPS interest cost	A	<u>(16,000)</u>
Net income reported under FRS 102		<u>9,855,839</u>

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £16,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

NORTH NORFOLK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year to 31 August 2016

27. FINANCIAL INSTRUMENTS

The carrying amounts of the academy's financial instruments are as follows:

	2016	2015
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 13)	30,497	10,454
Accrued income (note 13)	<u>66,580</u>	<u>53,354</u>
	<u>97,077</u>	<u>63,808</u>
<i>Financial liabilities</i>		
Measured at fair value through net expenditure:		
Concessionary loans payable (note 14/15)	29,912	-
Measured at amortised cost:		
Trade creditors (note 14)	189,167	288,997
Other creditors (note 14)	46,277	55,433
Accruals (note 14)	<u>147,538</u>	<u>98,444</u>
	<u>412,894</u>	<u>442,874</u>

NORTH NORFOLK ACADEMY TRUST

APPENDIX 1 – LOCAL GOVERNING BODIES AND LEADERSHIP TEAMS

SHERINGHAM HIGH SCHOOL

Governors (Trustees):	Martin Adams Arthur Bailey Penelope Bevan Jones Christine Candlish Stephen Foster Gill Pegg Brian Hannah Sacha Howard Martin Langsdon Jayne Melhuish Andrew Richardson Alex Steward Constance Tyce Velta Williams John Wollocombe	(Community Governor) (Parent Governor) (Community Governor) (Chair of Governors) (Parent Governor) [Resigned 7 January 2016] (Community Governor) (Community Governor) (Parent Governor) (Parent Governor) (Parent Governor) (Staff Governor) (Executive Headteacher) (Support Staff Governor) (Community Governor) (Parent Governor) (Directors' Appointed Governor)
------------------------------	---	--

Headteacher: Andrew Richardson

Leadership Team:	Andrew Richardson Jayne Melhuish Adam Cooke Ramin Keshavarz Dawn Hollidge Annmarie Sizer Darren Posthill Tristan Philpott Ben Phillips Sam Dangerfield	(Headteacher) (Deputy Headteacher) (Deputy Headteacher) [Resigned Feb 2016] (Assistant Headteacher) [Started Sept 2016] (Deputy Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) (Assistant Headteacher) [Started Sept 2016] (Assistant Headteacher) [Resigned Aug 2016]
-------------------------	---	--

STALHAM HIGH SCHOOL

Governors (Trustees):	Christine Candlish Gill Pegg John Wollocombe Stephen Hunter Angela Davison Martin Budgett Gail Adams Cara Jordan	(Interim Chair of Governors) from Jan 2016 (Community Governor) resigned Jan 2016 (Trust Representative) (Parent Governor) (Staff Governor) (Head of School) appointed Sept 2016 (Parent Governor) (Parent Governor)
------------------------------	---	---

Headteacher: Amy Webb (Resigned 31 August 2016)
Head of School: Martin Budgett (Appointed 1 September 2016)

Leadership Team:	Martin Budgett Lee McMahon Paul Norris	(Head of School) (Assistant Headteacher) (Assistant Headteacher)
-------------------------	--	--

Following a review of the school's performance, undertaken by Directors in September 2016, the decision was taken by the Board to dissolve the local governing body. The Trust Board assumed direct governance of the school.

NORTH NORFOLK ACADEMY TRUST

APPENDIX 1 – LOCAL GOVERNING BODIES AND LEADERSHIP TEAMS (CONTINUED)

ANTINGHAM AND SOUTHREPPS PRIMARY SCHOOL

Governors (Trustees):	Steve Blatch Emma Harding Stephen Uttley Sophie Hankinson Corne Wheeler Doug Wright Constance Tyce	(Chair of Governors) (Head of School) (Staff Governor) (Parent Governor) (Parent Governor) (Community Governor) (Trust Representative)
Headteacher:	Julia Howse Maureen Vassiere	(Resigned 31 December 2015) (Acting Headteacher 1 January 2016 – 31 August 2016)
Head of School:	Emma Harding	(Appointed 1 September 2016)